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Colleges Cite Inequities in New Benefits for Veterans

Public colleges say they will not get their share of GI Bill money

When the new GI Bill was signed into law last summer, advocates said its education benefits would significantly expand veterans' higher-education options. Beneficiaries would receive substantially more money than they did under older programs, enough to pay for the most expensive public institution in their state instead of only covering community-college tuition.

But some public-college leaders say the program, which takes effect on August 1, may have less impact on their enrollments than proponents originally claimed. Instead, those leaders say, the Post-9/11 GI Bill does more to help for-profit colleges, which for years have served large numbers of veterans in online and accelerated programs, by allowing them to tap into even more federal money.

No one disputes that this law will help more veterans to attend college. In fact, the U.S. Department of Veterans Affairs is expecting the total number of veterans enrolled in college to increase by 20 percent over the first two years of the program, said Keith M. Wilson, director of the agency's education service. Colleges now have to wait and see where nearly 460,000 veterans will use their benefits next year.

Providing money for college is one thing. But public-college leaders say they need money to provide support services to veterans to be sure they earn a degree. And on that count, public institutions face a disadvantage they say the new GI Bill will exacerbate.

Under the law, the federal government will pay public institutions the amount of in-state tuition and fees for each veteran they enroll who is eligible for full benefits. But private institutions can receive an even greater reimbursement from the federal government if they participate in the Yellow Ribbon Program, which is designed to help veterans pay for private colleges, out-of-state public institutions, and graduate programs.

For each veteran they enroll, private institutions will receive the equivalent of the highest public-college tuition and mandatory fees in their state. The institutions that participate in the Yellow Ribbon Program can waive up to half of the remaining charges and receive the same amount from the federal government. For example, tuition at Tulane University, in New Orleans, will be \$37,200 this fall, and mandatory fees will total about \$3,400. A veteran taking a full-time course load could receive about \$9,900 for tuition, and the fees would be fully covered, based on Louisiana's public-college costs. Tulane could then bring in an additional \$13,700 in government funds if it agreed to waive half the remaining costs.

State Colleges' Concerns

F. King Alexander, president of California State University at Long Beach, worries that his college, which charges in-state students about \$3,400 per year, and other institutions with relatively low tuition will be at a disadvantage.

Higher-priced for-profit and private colleges, he said, have more flexibility in changing their price tags or reducing student aid to maximize how much money they can receive from the federal government.

"Sticker price is not cost, and those institutions that can manipulate sticker prices will be the real beneficiaries," he said.

For-profit colleges like Argosy University and the University of Phoenix, Mr. Alexander added, will be able to bring in more in federal dollars than it actually costs them to educate a student, while his institution will not have enough money to properly accommodate veterans. Both Argosy and the University of Phoenix declined to comment for this article.

"I think when the smoke clears, you'll see half the veterans at public institutions but 80 percent of the money at the for-profit institutions," Mr. Alexander said.

The new law would be fairer, he said, if colleges that worked hard to keep tuition low were rewarded with extra money to help set up services for veterans on their campuses.

Officials at the Long Beach campus, which enrolls 400 veterans among its 37,900 students, struggled this year to come up with enough money to hire a veteran-services coordinator. They eventually cobbled together \$130,000 from the university's general funds, but doing so meant taking money from other student services.

Having a veteran-services coordinator is just the tip of the iceberg in terms of the services Mr. Alexander says his campus needs. The Department of Veterans Affairs has recommended that colleges also employ academic advisers whose sole responsibility is to help veterans transfer credits from military training and any other colleges they have attended; GI-benefit-certification officers to help students and the institution navigate complex government paperwork; and counselors who specialize in combat disorders. Each of those employees could cost anywhere from \$65,000 to \$90,000 a year, and Mr. Alexander said he just doesn't see how his university can find that kind of money.

In addition to calling it a poor use of taxpayer money, Mr. Alexander said the GI Bill concerns him because it may force veterans to choose between a public four-year college that can provide a better education but cannot afford the veterans' services and a for-profit college that has the money for services but won't provide as good an educational experience. As popular as for-profit institutions have been among veterans, Mr. Alexander said, military officials have invited him to speak at several California bases in the hopes of encouraging soldiers to consider traditional four-year colleges.

A Greater Share of the Market

For-profit-college officials say the new GI Bill benefits will make it easier for veterans to select a college based on fit rather than on price.

Harris N. Miller, president of the Career College Association, said some veterans did not feel they could afford for-profit institutions under the previous GI Bill.

The new GI Bill, he said, is "a long-overdue advance."

For-profit institutions have been an attractive choice for veterans with families or full-time jobs. Many of the colleges offer courses online, and the curricula are often directly tied to a specific career path. The colleges often grant more credit for military training than public colleges do, meaning veterans spend less time and money earning their degrees.

Nearly 60 percent of students who used GI Bill benefits at the top 500 institutions that served such students in the 2007 fiscal year enrolled in a for-profit institution or a community college, according to an analysis of federal data by *The Chronicle*. While 6 percent of all college students chose for-profit institutions, 19 percent of students who used GI Bill benefits at those 500 colleges did so.

Patrick Campbell, legislative director of Iraq and Afghanistan Veterans of America, a nonprofit group, said the bill provided an incentive for veterans to attend colleges that offer nontraditional terms, such as six-week or one-month

sessions, as many career colleges do. The new GI Bill caps the amount it offers students per term, so shorter, cheaper terms are more likely to be fully covered.

Expecting Business as Usual

Community colleges, meanwhile, with their low tuitions, stand to bring in even less money from the new GI Bill than regional public universities will. Many two-year institutions already cater to veterans, however, and will not need to spend money to establish new services.

"We have served that population for so long," Laura A. Gropen, interim director of communications, marketing, and public affairs at Palomar College, said of student veterans. "It's part of the culture here."

Ms. Gropen said the college, which operates an education center at Camp Pendleton, a Marine Corps base near San Diego, has a veteran-services department with two full-time employees and six student veterans who work part time to serve more than 800 student veterans. The department has enough staff members and resources to handle more students once the new GI Bill program starts.

Ms. Gropen said that while she expects many student veterans to transfer from community colleges to four-year institutions once the higher benefits kick in, she expects that even more veterans would start attending community colleges. A monthly housing allowance and a \$1,000 annual book stipend — benefits that were not provided under older GI programs — make it even more enticing for veterans to give community college a try, she said.

Location Is Everything

For private, nonprofit colleges, the GI Bill creates inequities based on the state in which the institutions are located. In Texas, for example, the program's caps are set so high that even out-of-state veterans can attend Texas A&M University or the private Rice University at little to no cost, even without the help of the Yellow Ribbon Program.

The most expensive undergraduate in-state tuition in Texas was determined to be \$1,333 per credit — at an aerospace-engineering program that includes flight lessons — so a veteran taking 12 credits in both the fall and spring semesters could receive as much as \$31,992 for tuition alone.

Rice University charges its students up to \$1,249 per credit, so the entire tuition bill would be covered.

Out-of-state students who attend Texas A&M University would also have their tuition and fees completely covered by the federal government, a fact that surprised administrators there.

"We were considering participating in [Yellow Ribbon], but when the numbers came out we realized there was really no point," said Joseph P. Pettibon, assistant provost.

He said Texas A&M, which now has about 700 veterans, was putting together a marketing brochure to help make veterans outside the state aware of the unexpected opportunity. Mr. Pettibon said that because of uncertainty about the final details of the GI Bill during the application period, he did not expect out-of-state veterans to enroll in large numbers until the 2010-11 academic year. If those veterans do enroll, Texas A&M could benefit financially: Out-of-state students this year pay almost three times as much per credit — \$444.25 compared with the \$163.25 in-state tuition charge.

On the other hand, being located in Washington, where the cap hovers around a mere \$4,000 a year, is a disadvantage for private institutions like George Washington University.

Michael P. Akin, executive director of government, international, and community relations at George Washington — which this year has enrolled about 300 veterans with GI Bill benefits — said the university had already pledged to participate in the Yellow Ribbon Program but was worried that the gap between the program's

benefits and the university's cost was too large. Tuition and mandatory fees at George Washington University will total about \$42,000 for the next academic year, but administrators are not sure yet how much of the \$38,000 gap they will be able to commit to covering.

Another complication of how the new GI benefits will play out is that colleges can limit how many veterans they accept under the Yellow Ribbon Program. Derek J. Blumke, president of Student Veterans of America, a national student-run organization, said he was worried that private institutions in states with very low tuition caps would have to limit their participation to only a few recipients, effectively barring other qualified students from those colleges.

Possible Solutions

Some college leaders, including Mr. Alexander, of Long Beach, and Stephen L. Weber, president of San Diego State University, which has about 800 veterans enrolled this year, are already pressing Congress for changes to the new GI Bill.

One proposal that Mr. Alexander said he favored would guarantee that all colleges would receive an amount per veteran that would at least equal the national average of tuition and fees at four-year public colleges — about \$375 per credit and \$6,900 for per-term fees, based on the figures each state provided to the Veterans Affairs Department. Colleges that cost less would be required to use the extra money on veteran services.

A similar, and potentially cheaper, option would be to give colleges that charge less than the state cap an amount equal to half that difference to dedicate to veteran services. Under that plan, Cal State-Long Beach would get about \$8,000 per student per year, depending on how many courses each student took and other variables.

"The universities that have worked to keep tuition low are being penalized through the GI Bill, which I'm sure is not the intention of Congress, who has asked universities to keep tuition low," Mr. Weber said.

He added that U.S. Rep. Bob Filner, a Democrat of California who is chairman of the House Veterans Affairs Committee, has been very receptive to the universities' concerns about the GI Bill. The chairman, Mr. Weber said, has raised the issue with several other members of Congress from states with low-cost public colleges, such as Arkansas and Georgia.

In the absence of legislative changes, though, colleges can make some fixes themselves that do not cost anything, said Mr. Blumke, an Air Force veteran who is a senior at the University of Michigan at Ann Arbor. "A lot of the needs veterans have, they can be solved by putting veterans in contact with one another," he said. Creating student-veteran organizations is key, as is creating a space for the veterans to meet on the campus.

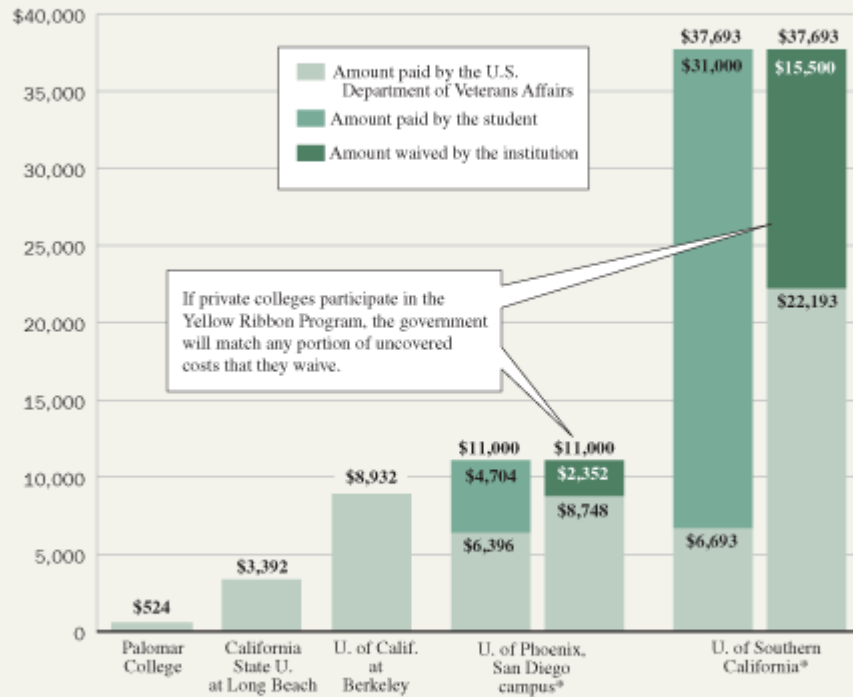
San Diego State has tried to find ways to better serve veterans on a very small budget, including making the kinds of no-cost changes that Mr. Blumke suggests, said Joan M. Putnam, veterans director at San Diego State. Last year administrators even decided to solicit private funds to help pay for veteran services. The institution has accumulated about \$220,000 so far, which it has used to furnish a new veterans' student center, hold receptions and professional-development workshops, and pay for scholarships and other aid.

One student veteran says that while such services are important, the lack of them would not be "a deal breaker."

"If I was choosing between two different universities and one was of a higher quality but had a poor veteran-service center compared to the other, I would go to the higher-quality university and figure out my own GI Bill paperwork," said Robert Florkowski, a senior who is majoring in political science at the University of California at Santa Barbara. "Most veterans are highly independent, far from the kid that just graduated high school and left home for the first time."

Federal Funds to Institutions Vary Under New GI Bill

How much tuition and fees the federal government will cover for each veteran enrolled under the new GI Bill varies by the type of institution. Here are the tuition and fees for five institutions in California and how the differences might play out.



* The universities have not made official announcements regarding their participation in the Yellow Ribbon Program. These scenarios show the universities waiving half the uncovered costs.

NOTE: Assumes a veteran is eligible for 100 percent of the program's benefits, is a California resident enrolled in 12 credit hours in both the fall and spring semesters, and will not be charged any extra fees associated with specific courses. The numbers are based on tuition and fees for the 2008-9 academic year.

SOURCE: CHRONICLE REPORTING